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1986/05/27

Department of State

INCOMING
TELEGRAM

Ref to DIA
Recommendation
DIA

PAGE 01 271358Z
ACTION INR-10

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INFO C-01 P-01 RA-01 FILE-01 PMU-01 /000 A2 DDK

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R 270555Z MAY 86
FM DIA WASHINGTON DC//JSI-7//
TO DIACURINTEL
AIG 7011
AIG 7046
AIG 7036
USDLO HONG KONG HK
USDAO BEIJING CH

SERIAL: DIADIN 144-1A
SUBJ: CHINA: ARMS DELIVERIES. (U)
DOI: 23 MAY 86 (AS OF 1800 EDT)

4. CHINA'S LEADERS ARE UNDOUBTEDLY AWARE ARMS SALES OF THIS MAGNITUDE WILL BE TRACED TO BEIJING AND WILL HAVE POLITICAL REPERCUSSIONS. THE DECISION TO ACCEPT THIS RISK MOST LIKELY STEMS FROM BEIJING'S PERCEPTION THAT OVER THE LONGER TERM GREATER ECONOMIC AND POLITICAL BENEFITS WILL ACCRUE THROUGH THE ESTABLISHMENT OF CLOSER TIES TO IRAN. MEANWHILE, CHINA CAN COMPENSATE FOR THE DWINDLING ARMS SALES TO IRAQ BY MAGNANIMOUSLY AGREEING TO FILL IRAN'S URGENT REQUIREMENT FOR WEAPON SYSTEMS TO COUNTER INCREASINGLY EFFECTIVE IRAQI AIR ATTACKS.

EOT